



**Jourdan Janik**  
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**BP Exploration & Production Inc.**  
Gulf of Mexico Region  
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Houston, Texas 77079  
17<sup>th</sup> Floor WL1

October 3, 2019

*via Facsimile E-mail*

Fieldwood Energy LLC  
2000 W. Sam Houston Pkwy. St.  
Suite 1200  
Houston, TX 77042  
Attn: Mr. Nathan Vaughn

RE: Galapagos Genovesa Tieback Project Letter Agreement – Appraise and Execution Stage AFE's  
Galapagos Development  
Mississippi Canyon Area  
Gulf of Mexico

Dear Mr. Vaughn:

Reference is hereby made to that certain Production Handling and Operating Services Agreement effective September 21, 2010 by and between Fieldwood Energy LLC ("Fieldwood"), BP Exploration & Production Inc. ("BP"), Red Willow Offshore, LLC ("Red Willow") and Houston Energy Deepwater Ventures I, LLC ("HEDV"), as amended, (the "PHA"). Reference is also made to that certain Loop Subsea Production System Construction and Operating Agreement effective December 1, 2011 by and between Fieldwood, BP, Red Willow and HEDV ("LSPS OA"). Terms not defined herein shall have the meaning set forth in the PHA and the LSPS OA.

Pursuant to and in furtherance of the terms in the PHA and the LSPS OA, BP (hereinafter in its capacity as Owner and Host Operator under the PHA and as LSPS Operator under the LSPS OA) and Fieldwood (hereinafter in its capacity as the Satellite Operator of the MC 519 Unit Leases under the PHA and as Satellite Lease Operator under the LSPS OA) have been working diligently to evaluate the necessary work scopes required on the Host and/or LSPS to accommodate production from the Genovesa well. During the appraise stage, BP has enlisted in-house experts as well as third party services to assist with evaluating modifications to the topsides (some of which may include the Facility Access Modifications installed on the Host) and evaluating tie-in operations on the LSPS required to accommodate said production, hereinafter referred to as the "Genovesa Tie-In". During the execution stage, BP will implement certain modifications at the Host and carry out certain operations on the LSPS, on behalf of Fieldwood, for the Genovesa Tie-In.

As planning between BP and Fieldwood for the Genovesa Tie-In is advancing from the appraise stage to the execute stage, BP and Fieldwood have entered into this letter agreement ("Agreement") to: i.) clarify the payment terms for costs related to certain appraise stage and execute stage actions that will enable production from the Genovesa well to be processed and handled at the Host via the LSPS and ii.) confirm that certain design requirements under the PHA and LSPS OA have been met for the tieback of Satellite Wells, including the Genovesa Tie-In.

**Genovesa Tie-In AFEs:**

**Appraise Stage AFE** - The attached AFE is expected to fund this project through the appraise stage.

**Execution Stage AFE(s)** – BP, in consultation with Fieldwood, shall prepare a Cost, Time and Resource ("CTR") document and submit an execution stage AFE (or series of AFEs) when the remaining scope is known, the schedule is determined, and the cost to execute has been finalized for the Genovesa Tie-In. Notwithstanding the finalized scope and delivery of the CTR, where advance commitments (e.g. purchase orders) are required by 3<sup>rd</sup> parties in

relation to the Genovesa Tie-in, BP shall submit an execution stage AFE in line with such commitments to accommodate timely commencement of Fieldwood's project execution schedule.

The cost arising from or attributable to work described in the appraise stage AFE and execution stage AFE(s) shall be captured in an informational only AFE and shall be directly chargeable and invoiced to Fieldwood under Article 5.1.1 and Exhibit "C" in the PHA. Fieldwood and BP agree that while certain activities may occur under the authority of the LSPS OA, all AFE's and associated invoices and/or cash calls will be chargeable and invoiced under the PHA. Fieldwood shall pay to BP the invoiced or cash advance requested amount within 30 days of receipt date.

**Satellite Well System Design and Specification:**

BP and Fieldwood hereby agree, upon finalization of the CTR, the requirements in Article 3.1.2 of the PHA and Article 7.02(b) of the LSPS OA have been fulfilled.

In the event of any conflict between this Agreement and any other agreement, the provisions of this Agreement shall prevail and control.

Any dispute that may arise under the terms of this Agreement will be handled, as applicable, in accordance with the PHA audit procedures terms or Exhibit "I" Dispute Resolution Procedures.

BP hereby requests that Fieldwood consent and agree to the terms stated herein by executing this Agreement in the space provided below and returning to my attention. For the convenience of the parties, this Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute on and the same instrument.

Should you have any questions or concerns, please contact me directly.

Regards,




Jourdan Janik

Enclosures

AGREED TO AND ACCEPTED THIS 20<sup>th</sup> DAY OF October, 2019


BP EXPLORATION & PRODUCTION INC.

By: Danielle Scott 

Name: Danielle Scott

Title: Attorney in Fact

Fieldwood Energy LLC

By: 

Name: Nathan M. Vaughn

Title: DW Lead Advisor



## BP GOM AUTHORIZATION FOR EXPENDITURE

DATE PREPARED: August-19 FINANCIAL MEMO KEY ID: 72021 **NKO392392**

OPERATOR: BP OBO EXTERNAL AFE NO: NKO3 NOTE: Accenture, please post FULL AFE number here once complete.

LEASE/UNIT/FACILITY: N/A START DATE: August-19

WELL NAME/NO: N/A END DATE: December-19

BUSINESS UNIT: GOO OPERATING FIELD: Na Kika

BP WORKING INTEREST: 0.00% SURFACE LOCATION: Na Kika

JOINT VENTURE NO: N/A BOTTOM HOLE LOC: N/A

SAP COST CENTER: 16NKS102M PRPSD TOTAL DEPTH: N/A

AFE Type: H-S1PM0NKS05

SAP NO:

COPAS Overhead - Required

WELL TYPE - If Applicable

WELL TYPE

PROJECT DESCRIPTION/COMMENTS	Project Name:	NK - GENOVESA TieBack Project - APPRAISE AFE
<p>Authority is requested for expenditure to cover Appraise Stage Engineering Studies required to confirm the scope of work needed to tieback the FIELDWOOD Prospect to the Na Kika Platform.</p> <p>Scope: Appraise stage engineering support for Fieldwood's Genovesa project. This includes BP time writing and EPMS resources.</p> <p>Cost: Appraise stage Engineering and Project Management.</p> <p>Schedule: Appraise stage is estimated to be completed by Q4 2019 based on current available data from Fieldwood.</p> <p>Project Justification: Engineering studies will be required to confirm the scope of work needed to tie in Genovesa prospect to Na kika via the Galapagos Area Loop Subsea Production System (LSPS). Studies include a proposal for implementing controls software update in order to add the Genovesa well to the Na Kika MCS.</p>		

WORKING INTEREST OWNERS	Initial WI %	Final WI %	WI COST	NOTES
Fieldwood	100.0%	100.0%	\$437,100	
Total	100.0%	100.0%	Total Costs \$437,100	

TANGIBLE / INTANGIBLE	DESCRIPTION	ESTIMATED COST	
		GROSS	NET
	Project Management	\$223,500	\$223,500
	Engineering & Inspection	\$213,600	\$213,600
	<b>TOTAL PROJECT COST*</b>	<b>\$437,100</b>	<b>\$437,100</b>

PROJECT CONTACTS:

NAME	TITLE
<u>Madhav Parimi</u>	<u>Subsea OPS Project Manager</u>
<u>Decio Comin</u>	<u>Subsea OPS Project Engineer</u>

\*NOTICE TO NONOPERATOR: Costs shown are estimates only. Nonoperators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation. Overhead will be charged in accordance with the Joint Operating Agreement.

CO-OWNER APPROVAL: YES \_\_\_\_\_ NO \_\_\_\_\_ DATE: \_\_\_\_\_

COMPANY NAME / NONOPERATOR: \_\_\_\_\_

NOT REQUIRED

PRINT NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

## BP APPROVALS:

PRINT NAME	SIGNATURE	DATE
PROJECT SPA: <u>Decio Comin</u>	<u>Decio Comin</u>	<u>8/15/2019</u>
BUSINESS MANAGER: <u>Kamil Gurses</u>	<u>Kamil Gurses</u>	<u>8/16/2019</u>
FINANCIAL DELEGATION: <u>Madhav Parimi</u>	<u>Madhav Parimi</u>	<u>8/15/2019</u>
GOM CONTROLLER: <u>Ellie Teed</u> <u>Magdy Muhammad</u>	<u>Ellie Teed</u>	<u>8/19/2019</u>

DocuSigned by: 323C4AEDE8C9431...